1985

ANNUAL REPORT

PRINCE EDWARD ISLAND

MARKETING COUNCIL

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17 February 1986

Hon. Prowse G. Chappell,
Minister of Agriculture
Jones Building
11 Kent Street
Charlottetown, P.E.I.
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Dear Sir:

I have the honour to submit herewith the operations report of the P.E.I. Marketing Council for the 1985 calendar year.

Council's financial report for the 1984-85 fiscal year is amalgamated with the financial report of the Department of Agriculture as Council's annual allocation is provided through the Department.

Respectfully submitted,

J.-G. Gaudin,
Chairman

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The Prince Edward Island Marketing Council is constituted under the Natural Products Marketing Act (R.S.P.E.I. 1974, Cap. N-2) and is responsible for the supervision of the activities of commodity marketing boards, marketing commissions and commodity marketing groups operating under the Act.

Marketing Council had an active year with one of the highlights being the approval by the Legislative Assembly, and subsequent proclamation by the Lieutenant Governor in Council, of amendments to the Natural Products Marketing Act. Through the amendments, a new Natural Products Appeals Tribunal was created relieving Council of its responsibility of hearing appeals of persons who feel themselves aggrieved by decisions of bodies created under the Act. Council views this as a very positive development which will permit it to become more deeply involved in its supervision responsibilities. Previously, there were situations when Council was reticent to express itself at early stages of boards' decision-making process, because it served both the role of supervisory and appellant body.

The creation of the Appeals Tribunal also cleared the way for Council to become involved in the establishment of fluid milk prices and bulk milk transportation rates. These were two powers held by the Milk Marketing Commission where were not deemed the

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appropriate purview of the Milk Marketing Board when the other Commission powers were transferred to the Board. With Council holding these powers, the way is now clear for the winding up of the Milk Marketing Commission.

Another amendment to the Act cleared the way for the Hog Board to take an interest in Garden Province Meats on behalf of Island hog producers.

Council's manager served as returning officer for the elections to the egg, hog and milk boards.

Council's manager also became deeply involved in talks toward the establishment of a national tobacco agency and accompanied board representatives as a resource at public hearings conducted by a panel of National Farm Products Marketing Council. The N.F.P.M.C.'s recommendation to the federal agriculture minister has been delayed because of a court challenge by the Canadian Tobacco Manufacturers Council. As a result of that challenge, the Federal Court of Canada instructed that the hearings should be re-opened to hear evidence and cross examination on a 1983 cost of production study commissioned by the Ontario Tobacco Board. That decision is under appeal by the federal Justice Department.

On June 11, 1985, Marketing Council appointed Fred Martins, David Janssens and Joe Van Daele to serve the unexpired terms of office of Frank Lava, Paul Seres and Joseph Spriet who had resigned from the Tobacco Commodity Marketing Board effective June 1, 1985.

Marketing Council was successful in its appeal of several aspects of a decision rendered by Mr. Justice C.R. McQuaid in

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1984; more specifically, the Appeals Court ruled that the 1976 Order-in-Council underwhich the Tobacco Board is operating was validly enacted and that the Board does have the right to exercise control over tobacco produced in Prince Edward Island.

The Appeals Court did, however, rule that the supply management program instituted by the Board in 1984 following a plebiscite conducted by the Council was not properly in place because of deficiencies in the conduct of that plebiscite. The Board, as of this writing, is working with producers to have a new system in place for the 1985 crop. The Council has urged all involved to enter into the process with a degree of openness and conciliation so that past wounds can be healed and so that a system acceptable to all may be put in place to allow an equitable sharing among producers of a market which is, at this point in time, on the decline. Should the decline of this market continue at its present rate, it is imperative that both federal and provincial governments look at means of addressing the problems of those producers displaced by the lack of market opportunities.

A subject which is of great concern to commodity boards operating within the sphere of national supply management programs is that of free trade with the United States. Council has been following, with interest, recent developments in this area and will continue to do so. Certainly, producers in supply-managed commodities generally have no desire to see their commodities negotiated into a free-trade status.

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Canada has found a novel means of insuring that its producers receive a fair return on labour and investment for the goods they produce. Participation is optional on a commodity-by-commodity basis. Commodities such as eggs are able to get sufficient return out of the marketplace so that there is no requirement for the taxpayers of the province or country to subsidize these producers.

In Prince Edward Island, where we are heavily dependent on agriculture for our economic vitality, we must insure that federal negotiators are fully cognizant of the importance of healthy supply-managed agricultural sectors to this province.